



Economic Impact Analysis Virginia Department of Planning and Budget

23 VAC 10-370 – Cigarette Tax Regulations
Department of Taxation
July 26, 2006

Summary of the Proposed Amendments to Regulation

The Department of Taxation (department) proposes to repeal Sections 50 (Retail dealers receiving cigarettes from outside state to mail duplicate invoice to department; penalty), 60 (Duties of carriers, etc., transporting cigarettes; penalty), and 150 (Permits required for transporting or distributing cigarettes; penalty) of these regulations.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The 2004 Virginia Acts of Assembly, Chapter 1029 repealed Code of Virginia Sections §§ 58.1-1004, 58.1-1005 and 58.1-1014. Sections 50, 60, and 150 of these regulations are interpretations of the formally existing Code Sections §§ 58.1-1004, 58.1-1005 and 58.1-1014, respectively. As a consequence of the repeal of the above mentioned Code sections, these regulations are obsolete and do not reflect current department policy. Thus, repeal of these regulations will have no impact other than perhaps to prevent confusion for those who find and read the regulations.

Businesses and Entities Affected

The proposed repeal of these regulations will not significantly affect businesses and entities.

Localities Particularly Affected

No localities are particularly affected.

Projected Impact on Employment

The proposed repeal of these regulations will not affect employment.

Effects on the Use and Value of Private Property

The proposed repeal of these regulations will not affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed repeal of these regulations will not affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed repeal of these regulations will not affect small businesses.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.